

Message Text

CONFIDENTIAL

PAGE 01 CAIRO 09339 191538Z

46

ACTION NEA-10

INFO OCT-01 ISO-00 SS-15 EB-07 COME-00 AID-05 OPIC-03

TRSE-00 INT-05 XMB-02 L-03 SP-02 CIAE-00 INR-07

NSAE-00 /060 W

----- 038920

P 191435Z SEP 75

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC PRIORITY 6600

C O N F I D E N T I A L CAIRO 9339

EO 11652: GDS

TAGS: EMIN ECON USEGJC

SUBJECT: ABU TARTUR PROJECT

REF: A. STATE 223411 B. STATE 212372 C. STATE 204712

1. ON SEVERAL OCCASIONS IN THE PAST TWO WEEKS, I HAVE DISCUSSED WITH FAHMY LATTER'S INTEREST IN OBTAINING AN AMERICAN FIRM TO DO THE TARTUR PROJECT. FAHMY CLAIMS GOE DECISION HAS BEEN MADE TO TAKE SOVIETS OUT OF THE PROJECT. A FRENCH COMPANY HAS EXPRESSED INTEREST, BUT HE CONTINUES TO PROFESS TO WANT AN AMERICAN COMPANY. I AM SURE HE MEANS THIS, BUT CANNOT BE SURE WHETHER THIS REPRESENTS A GOE DECISION OR MERELY A PERSONAL FAHMY IDEA. WE HAVE NO INDICATION THAT MININDUSTRY SHAHIN IS ACTIVELY PUSHING FOR AN AMERICAN COMPANY. ON CONTRARY, OUR IMPRESSION IS SHAHIN APPROACHES PROJECT WITH A VIEW TO WEIGHING THE BEST OFFER.

2. I HAVE SEVERAL TIMES SOUGHT TO OBTAIN ANSWERS FROM FAHMY TO SOME OF THE SPECIFICS MENTIONED PARA 4, REFTEL B. NOT SURPRISINGLY, FAHMY KNOWS NOTHING ABOUT SUCH TECHNICAL DETAILS. HE CONTENTS HIMSELF WITH SPEAKING SWEEPINGLY OF WANTING A US FIRM TO DO THE OVERALL JOB. AS A MATTER OF FACT,
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 CAIRO 09339 191538Z

FOR SOME TIME HE PERSISTED IN REFERRING TO UNDER

SECRETARY ROBINSON'S STATEMENT TO PRESIDENT SADAT AND HIM OF TWO MONTHS AGO OF LIKELY AMERICAN INTEREST IN ABU TARTUR AND PROFESSED TO BELIEVE THIS WAS INTENDED TO MEAN AN OFFICIAL USG INTEREST. I THINK I NOW HAVE HIM OFF THAT KICK, BUT HE WILL DOUBTLESS RAISE IT AGAIN. IN AN EFFORT TO GET SOMETHING MORE SPECIFIC FROM FAHMY, I AM GIVING HIM AN UN-OFFICIAL PAPER, POINTING OUT SOME OF THE PROBLEMS THAT INTERESTED AMERICAN COMPANIES HAVE FOUND IN LOOKING INTO THE ABU TARTUR PROJECT AND ASKING FOR CLARIFICATION OF JUST WHAT GOE HAS IN MIND. GIVEN FAHMY'S INTEREST IN HAVING AN AMERICAN FIRM DO THE JOB, THIS SEEMS A BETTER APPROACH THAN GOING DIRECTLY TO MINISTRY SHAHIN. WE CAN ALWAYS GO TO SHAHIN AS NEEDED.

3. RECOGNIZING CONTINUED NEBULOUS NATURE OF OVERALL EGYPTIAN INTEREST IN AN AMERICAN FIRM DOING THE JOB, I THINK IT IS HELPFUL THAT PARSONS CHAIRMAN LEWIS WILL BE HERE OCTOBER 11. WHEN I MENTIONED THIS TO FAHMY YESTERDAY, HE WANTED TO KNOW WHY SOMEONE FROM PARSONS DOES NOT COME SOONER. PARSONS MAY WISH TO CONSIDER DOING SO, BUT SHOULD BE AWARE THAT WHATEVER FAHMY SAYS, ANY SUCH ADVANCE PARSONS REP WILL IN NEXT TWO WEEKS RUN INTO RAMADAN DOLDRUMS FOLLOWED BY EXTENDED EGYPTIAN ID HOLIDAYS. I WILL EXPLORE WITH FAHMY WHETHER LEWIS SHOULD BRING WITH HIM OTHER PERSONS MENTIONED REFTEL A.

4. AS FAR AS APPOINTMENTS FOR LEWIS ARE CONCERNED, WE CAN READILY ARRANGE THESE AT SHORT NOTICE. I THINK THERE MAY BE VALUE IN HAVING HIM SPEAK FIRST WITH FAHMY RATHER THAN GOING TO SHAHIN. IF A MEETING OF THE MINDS IS POSSIBLE BETWEEN FAHMY AND LEWIS, THE FORMER CAN SET UP A MEETING WITH SHAHIN AND GIVE THE MINISTER OF INDUSTRY SOME COUNSEL.

5. AS SUGGESTED REFTEL A, WE WILL ALSO DISCUSS THE PROJECT WITH SHAFI WHENEVER HE GETS BACK TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 CAIRO 09339 191538Z

CAIRO. WOULD BE HELPFUL TO KNOW IF DEPARTMENT DID SO WITH SHAFI DURING LATTER'S WASHINGTON VISIT. WE AGREE THAT PROJECT COULD BE POTENTIAL MAJOR BREAKTHROUGH WITH CONSIDERABLE SYMBOLIC SIGNIFICANCE IF IT CAN BE WORKED OUT. ONE MAJOR PROBLEM WE WILL FACE, AS WE REGULARLY DO WITH POTENTIAL AMERICAN BUSINESSMEN, IS THE EGYPTIAN CONVICTION THAT AMERICANS CHARGE TOO MUCH FOR THEIR GOODS AND

SERVICES. FAHMY MAKES THIS POINT REPEATEDLY AND
DRAWS UNFAVORABLE COMPARISONS WITH FRENCH AND
OTHER EUROPEANS.

6. WITH RESPECT TO NEW GOE LEGISLATION (PARA 6,
REFTEL C) NONE OF LAWS IN PROCESS OF IMPLEMENTATION
WILL HAVE SIGNIFICANT IMPACT ON FOREIGN INVESTMENTS
IN GENERAL OR ABU TARTUR IN PARTICULAR. LAW 43
ON INVESTMENTS, WHICH MOST DIRECTLY AFFECTS OVERALL
SITUATION, IS NOT PRESENTLY BEING CONSIDERED FOR
MODIFICATION. MINERALS LAW IS STILL IN DRAFTING
STAGE (AND ITS STATUS IS QUESTIONABLE), WHILE
BANKING, SOCIAL WELFARE, LABOR AND FOREIGN TRADE
LAWS, ETC. DO NOT HAVE OTHER THAN VERY MARGINAL
CONNECTIONS TO GENERALSUBJECT.
EILTS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MINING INDUSTRY, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 19 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: buchant0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975CAIRO09339
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750325-0841
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750932/aaaabchq.tel
Line Count: 131
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 STATE 223411, 75 STATE 212372, 75 STATE 204712
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 30 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 JUL 2003 by ShawDG>; APPROVED <29 DEC 2003 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ABU TARTUR PROJECT
TAGS: EMIN, ECON, EG, USEGJC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006